

A. 81

To: McDade, Bart[bmcdade@lehman.com]
From: Kirk, Alex
Sent: Fri 9/19/2008 8:09:17 PM
Subject: Re: Box
Categories: urn:content-classes:message

Not being bought by barclays but we don't know if they remain at lbi I assume they have all been bought in

----- Original Message -----

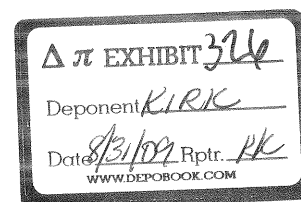
From: McDade, Bart
To: Kirk, Alex
Sent: Fri Sep 19 16:06:41 2008
Subject: Re: Box

Are the shorts all gone?

----- Original Message -----

From: Kirk, Alex
To: McDade, Bart
Sent: Fri Sep 19 15:39:35 2008
Subject: Box

Rich richie just told me he won't blow up this trade by being a pig.



A. 82

**Filed Under Seal
Pursuant To
Protective Order**

A. 83

**Filed Under Seal
Pursuant To
Protective Order**

A. 84

From: Azerad, Robert [RAzerad@lehman.com]. Sent: 9/20/2008 10:34 AM.
To: Tonucci, Paolo [paolo.tonucci@lehman.com]; Kelly, Martin [martin.kelly@lehman.com]; Blackwell, Alastair [ablackwe@lehman.com]; Beldner, Brett [brett.beldner@lehman.com].
Cc: Stewart, Marie [marie.stewart@lehman.com]; Reilly, Gerard [greilly@lehman.com]; Veksler, Irina [irina.veksler@lehman.com]; Fleming, Dan (TSY) [dfleming@lehman.com].
Bcc: .
Subject: RE: Opening balance sheet.

Details of the 15c3 (both customer and PAIB). Don't have the details on how it was locked up (cash vs. securities) but this should not make a difference from an accounting standpoint hopefully.

Robert

-----Original Message-----

From: Tonucci, Paolo
Sent: Saturday, September 20, 2008 10:31 AM
To: Azerad, Robert; Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Reilly, Gerard; Veksler, Irina; Fleming, Dan (TSY)
Subject: RE: Opening balance sheet

We also need to add the 15c3 cash as a receivable.

Dan,

The collateral that was locked up for 15c3 needs to be transferred over the Barclays. How is that done? Has that already been moved with the customer collateral?

-----Original Message-----

From: Azerad, Robert
Sent: 20 September 2008 10:27
To: Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Reilly, Gerard; Tonucci, Paolo; Veksler, Irina
Subject: RE: Opening balance sheet

Classification of the assets by asset class should be done by EOD today assuming that what was transferred was:

- 1) Repo with Barclays as of Thursday night (\$49 billion - \$42 billion of securities and \$7 billion of cash)
- 2) Non-actionable box as shown to Barclays on Friday afternoon (\$1.9 billion of collateral). Actual box is slightly bigger because it also contains Lehman debt

Robert

PS: Prices will be per the repo file sent by Ops on Friday morning and per the box report as of Friday morning.

-----Original Message-----

From: Kelly, Martin
Sent: Saturday, September 20, 2008 9:36 AM
To: Azerad, Robert; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Reilly, Gerard; Tonucci, Paolo
Subject: Opening balance sheet

EXHIBIT

151A

8.14.09 AW

Barclays (James Walker) called this am. They want an "opening balance sheet" today. 3 pieces to this. (1) Robert - do you have the final list of assets under the repo which they took possession of - need by gaap asset class versus the financing. Could you please assemble in a file which can be sent direct back to barclays (2) did we end up transferring the shorts and related reverse repo? If so, Robert/Alistair who has that list, were tickets booked for this etc.same as above need a list to be emailed back (3) Brett - could you please update the summary BS once we have this information later in the day.

I think we need to deliver back to narclays the simple BS together with inventory list and possibly shorts/reverses depending on what was done with this. Robert - could you please compile and coordinate with brett around BS.

Please give me ETA so I can update James at Barclays.

Thx - M

FINAL

Lehman Brothers Inc.
Customer/PAIB Reserve Analysis

Customer:	09/17/08	09/16/08	Variance	3 Month Avg
MTS				
Free Credits	77,216	85,126	(7,911)	31,115
SCS Cash	46,462	62,778	(16,316)	393,585
Option Margin	15,824	12,105	3,719	63,353
P & I	22,858	22,253	605	22,809
Aged Fails and Partly Secured Debits	7,518	9,847	(2,330)	9,538
Customer Receivable Versus Box	-	-	-	(65)
Stock Record/P&C items	86,809	49,550	37,259	33,719
Overdrafts	-	69,484	(69,484)	45,935
Unapplied Cash / Suspense	31,677	123,215	(91,538)	55,468
3% ADI	216,477	295,389	(78,911)	35,950
Sub-total	504,841	729,747	(224,906)	691,407
ADP				
Free Credits / Margin	481,456	174,237	307,219	2,858,182
Net Customer Financing	(831,906)	405,508	(1,237,414)	(972,434)
OMNI Conversion Payable	-	-	-	-
O/Drafts	62,604	294,945	(232,341)	50,330
Dividends	5,322	3,648	1,675	15,695
S/B L.O.C. vs. Customer Short	-	-	-	-
S/B NQ vs. Customer Short	5,287	6,981	(1,694)	14,152
Non-Broker Dealer Affil.	290,539	211,676	78,863	149,720
OCC Proprietary Qualified Collateral	(349,858)	(487,071)	137,213	(831,762)
Firm Bank Loan - Firm Not Long	-	-	-	-
Suspense	39,897	39,897	-	14,203
Unapplied Cash	10,121	18,307	(8,185)	9,642
Abandoned Property / Soft Dollars (\$42 mil)	85,212	85,212	-	81,066
Other	82,685	50,271	32,414	22,382
3% ADI	322,692	321,529	1,163	132,964
Sub-total	204,052	1,125,139	(921,087)	1,544,142
ITS				
Free Credits (primarily SCS cash)	160,575	344,517	(183,943)	1,234,634
Unsecured Shorts	77,639	77,639	-	60,336
Securities Related IC Payable (Mostly ITS)	189,086	189,086	-	133,470
Other	-	-	-	-
3% ADI	178,711	142,950	35,762	24,315
Sub-total	606,011	754,192	(148,181)	1,452,756
Commodities				
O/Drafts	176,487	97,367	79,120	54,728
Non-Reg Commodity Credits	52,000	52,000	-	106,668
Sub-total	228,487	149,367	79,120	161,396
Requirement	1,543,392	2,758,446	(1,215,054)	3,849,701
Cushion (plus 2% deduction)	225,608	10,554	215,054	332,154
Amount Segregated	1,769,000	2,769,000	(1,000,000)	4,181,855
PAIB:				
Net PAIB Debits/Credits	325,286	350,949	(25,663)	1,245,733
Bank Loan	3,560	9,509	(5,949)	719
Stock Loan	312,247	338,880	(26,633)	171,674
F/R Vs PAIB Long	31,031	23,095	7,936	1,147
Firm Short vs. PAIB Long	394,506	350,157	44,349	130,203
Stock Borrow	(560,229)	(606,515)	46,286	(1,116,764)
Fail to Deliver	(40,281)	(21,581)	(18,700)	(2,633)
Requirement	466,120	444,494	21,626	430,079
Cushion (plus 2% deduction)	25,880	15,506	10,374	111,079
Amount Segregated	492,000	460,000	32,000	541,158
Total Segregated	2,261,000	3,228,999	(967,999)	4,723,013

* Denotes account net debit balances.

A. 85

Unknown

Sent: Sunday, March 22, 2009 3:45 AM

From: Tonucci, Paolo [paolo.tonucci@lehman.com]
Sent: Saturday, September 20, 2008 3:14 PM (GMT)
To: Reilly, Gerard [greilly@lehman.com]; Azerad, Robert [RAzerad@lehman.com]; Kelly, Martin [martin.kelly@lehman.com]; Blackwell, Alastair [ablackwe@lehman.com]; Beldner, Brett [brett.beldner@lehman.com]
Cc: Stewart, Marie [marie.stewart@lehman.com]; Veksler, Irina [irina.veksler@lehman.com]
Subject: RE: Opening balance sheet

I think Robert should do summary level and send to Martin.

I think the lock up receivable should be treated as a \$1 bn receivable.

The other box will need to be included in the relevant asset classes.
And the challenge for next week will be delivering both of these through DTC or loan transfers.

This will need assistance from the lawyers.

Paolo

-----Original Message-----

From: Reilly, Gerard
Sent: 20 September 2008 11:07
To: Tonucci, Paolo; Azerad, Robert; Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Veksler, Irina
Subject: Re: Opening balance sheet

Who can send the file to james walker?

----- Original Message -----

From: Tonucci, Paolo
To: Tonucci, Paolo; Reilly, Gerard; Azerad, Robert; Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Veksler, Irina
Sent: Sat Sep 20 11:02:47 2008
Subject: RE: Opening balance sheet

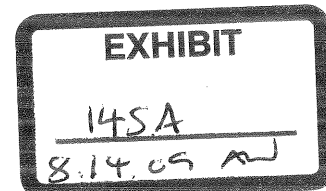
Apologies should have read \$42.9 bn of collateral.

-----Original Message-----

From: Tonucci, Paolo
Sent: 20 September 2008 10:33
To: Reilly, Gerard; Azerad, Robert; Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Veksler, Irina
Subject: RE: Opening balance sheet

I think the have 442.9 bn of assets and paid net \$38 bn of cash.

Their opening balance sheet should also include \$1.9 bn of box assets and \$1 bn of cash receivable from the release of lock ups.



7/15/2009

69251

-----Original Message-----

From: Reilly, Gerard
Sent: 20 September 2008 10:30
To: Azerad, Robert; Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Tonucci, Paolo; Veksler, Irina
Subject: Re: Opening balance sheet

So they basically have 42b of assets and paid 38b of cash. Is that how they should think about it?

----- Original Message -----

From: Reilly, Gerard
To: Azerad, Robert; Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Tonucci, Paolo; Veksler, Irina
Sent: Sat Sep 20 10:28:05 2008
Subject: Re: Opening balance sheet

We can go with totals for now

----- Original Message -----

From: Azerad, Robert
To: Kelly, Martin; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Reilly, Gerard; Tonucci, Paolo; Veksler, Irina
Sent: Sat Sep 20 10:26:34 2008
Subject: RE: Opening balance sheet

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Robert

PS: Prices will be per the repo file sent by Ops on Friday morning and per the box report as of Friday morning.

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From: Kelly, Martin
Sent: Saturday, September 20, 2008 9:36 AM
To: Azerad, Robert; Blackwell, Alastair; Beldner, Brett
Cc: Stewart, Marie; Reilly, Gerard; Tonucci, Paolo
Subject: Opening balance sheet

Barclays (James Walker) called this am. They want an "opening balance sheet" today. 3 pieces to this. (1) Robert - do you have the final list of assets under the repo which they took possession of - need by gaap asset class versus the financing. Could you please assemble in a file which can be sent direct back to barclays (2) did we end up transferring the shorts and related reverse repo? If so, Robert/Alistair who has that list, were tickets booked for this etc.same as above need a list to be emailed back (3) Brett - could you please update the summary BS once we have this information later in the day.

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7/15/2009

69251

Please give me ETA so I can update James at Barclays.

Thx - M

7/15/2009

69251

A. 86

To: Lowitt, Ian T [ilowitt@lehman.com]
From: Tonucci, Paolo [paolo.tonucci@lehman.com]
Sent: Sat 9/20/2008 1:42:32 PM
Subject: RE: Thanks for all your help getting us over the goal line! We did it!

Understood.

-----Original Message-----

From: Lowitt, Ian T
Sent: 20 September 2008 09:33
To: Tonucci, Paolo
Subject: Re: Thanks for all your help getting us over the goal line! We did it!

You need to be close to it. If we don't succeed you and I are toast despite all our heroics. Please make sure it happens using Robert makes sense but get a lawyer involved. Kimmel a good starting spot. Ian

-----Original Message-----

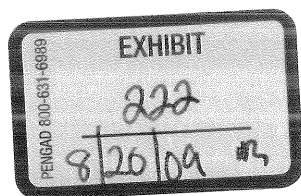
From: Tonucci, Paolo
To: Ian Lowitt
Cc: Steven Berkenfeld
Sent: Sep 20, 2008 8:10 AM
Subject: Re: Thanks for all your help getting us over the goal line! We did it!

Agreed. Will use Robert for this - have confidence he knows how to get done.

----- Original Message -----

From: Lowitt, Ian T
To: Tonucci, Paolo
Cc: Berkenfeld, Steven
Sent: Sat Sep 20 06:01:08 2008
Subject: Thanks for all your help getting us over the goal line! We did it!

While it would be great to just relax and enjoy the victory, think we need to launch an effort as soon as possible to ensure we get the 15c3 lockup money and also transfer the unencumbered box Since everything has turned out to be more complicated and difficult than expected think we need a dedicated team including lawyers to make this happen. Please coordinate with berkenfeld on this. Thanks. Ian



A. 87

To: Lowitt, Ian T [ilowitt@lehman.com]
From: Tonucci, Paolo [paolo.tonucci@lehman.com]
Sent: Sat 9/20/2008 1:42:32 PM
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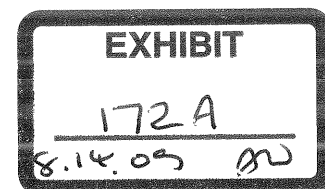
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A. 88

**Filed Under Seal
Pursuant To
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A. 89

**Filed Under Seal
Pursuant To
Protective Order**

A. 90

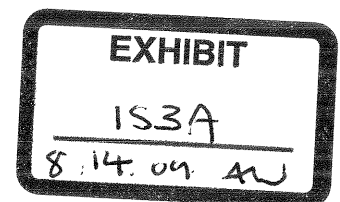
From: Kelly, Martin [martin.kelly@lehman.com]
Sent: Saturday, September 20, 2008 11:20 PM (GMT)
To: Beldner, Brett [brett.beldner@lehman.com]
Subject: Fw: Opening Balance Sheet (with cash of \$7.0 bn)
Attach: Opening Balance Sheet v1B.xls

Did you get a chance to look at this? See any issues?

----- Original Message -----

From: Azerad, Robert
To: Tonucci, Paolo; Kelly, Martin; Beldner, Brett; Reilly, Gerard; Veksler, Irina
Sent: Sat Sep 20 18:41:46 2008
Subject: Opening Balance Sheet (with cash of \$7.0 bn)

<<Opening Balance Sheet v1B.xls>>



Cash and cash equivalent	7,000
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Inventory

Government & Agencies	29,810
Corporate Equities	8,764
Mortgages & Mortgage Backed Securities	3,241
Corporate Debt & Other	2,998
Commercial Paper & Money Market Instruments	32

Inventory Total	44,846
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Receivables (15c3 lock up release)	1,000
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Total Assets	<u>52,846</u>
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